Disinvestment of Government equity in IA

1882. SHRI A. VIJAYA RAGHAVAN: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have taken any decision to disinvest the shares of Indian Airlines;

(b) if so, the details thereof; and

(c) the steps taken by Government to improve the functioning of the Indian Airlines?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): (a) and (b) The Government has decided to disinvest 51% of Government held equity in Indian Airlines Ltd. Out of this 26% equity may be given to a group or an individual who may be called joint venture/strategic partner. The remaining 25% equity would be offered to employees, financial institutions and public.

(c) The process of disinvestment and resultant dispersal of ownership will exert necessary pressure on the PSU to improve its performance, enhance efficiency, earn profits and declare dividends.

News-item captioned Blue Chip Companies should not be divested

1883. SHRI JIBON ROY: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government's attention has been drawn to the news item captioned "Blue chip companies should not be divested" which appeared in the Times of India, dated the 18th December, 1999; and

(b) if so, Government's response thereto?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): (a) and (b) As per the declared policy of the Government, the Government shareholding in Non-strategic PSUs is to be brought down to 26% in generality of cases. The Government will retain majority holding in strategic PSUs. There is no specific policy for disinvestment in blue-chip companies.